

By: Villalba

H.B. No. 1269

A BILL TO BE ENTITLED

AN ACT

relating to open-enrollment charter schools.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 12.106, Education Code, is amended by adding Subsections (a-3), (a-4), (a-5), (a-6), (d), and (e) to read as follows:

(a-3) In addition to the funding provided by Subsections (a), (a-2), and (d), a charter holder who meets the eligibility requirements under Subsection (a-4) is entitled to receive for the open-enrollment charter school supplemental funding for each student in weighted average daily attendance in an amount equal to the difference between:

(1) the statewide average amount of state and local revenue, including maintenance and operations revenue and revenue for debt service, of a school district per student in weighted average daily attendance; and

(2) the sum of:

(A) the amount of funding per student in weighted average daily attendance to which the charter holder is entitled under Subsections (a) and (a-2); and

(B) the amount of funding per student in average daily attendance to which the charter holder is entitled under Subsection (d).

(a-4) A charter holder is eligible to receive supplemental

1 funding under Subsection (a-3) if:

2 (1) for a charter holder for whom at least 50 percent
3 of enrolled students for the current year are economically
4 disadvantaged, as determined by the agency, the percentage of the
5 charter holder's economically disadvantaged students who achieved
6 the college readiness performance standard on two or more
7 assessment instruments administered under Section 39.023(a) or (c)
8 exceeded the percentage of all economically disadvantaged students
9 in the state who achieved that standard on two or more of those
10 assessment instruments for at least two of the last three preceding
11 school years;

12 (2) for a charter holder for whom less than 50 percent
13 of enrolled students for the current year are economically
14 disadvantaged, as determined by the agency, the percentage of the
15 charter holder's students who are not economically disadvantaged
16 and who achieved the college readiness performance standard on two
17 or more assessment instruments administered under Section
18 39.023(a) or (c) exceeded the percentage of all students in the
19 state who are not economically disadvantaged and who achieved that
20 standard on two or more of those assessment instruments for at least
21 two of the last three preceding school years; or

22 (3) the charter holder has qualified for and received
23 supplemental funding under Subdivision (1) or (2) for three
24 consecutive school years.

25 (a-5) A charter holder who establishes eligibility under
26 Subsection (a-4)(3) remains eligible for supplemental funding in
27 subsequent school years and is not required for those years to

1 satisfy the criteria described by Subsection (a-4)(1) or (2),
2 provided that the charter holder continues to comply with the
3 requirements imposed by Section 12.1071(c).

4 (a-6) In determining eligibility for supplemental funding
5 under Subsection (a-4) for the current year, a charter holder may
6 elect to exclude the results on assessment instruments administered
7 to students enrolled at a campus established two years or less
8 before the date on which eligibility is determined if the charter
9 holder notifies the agency of the charter holder's election not
10 later than the date specified by the commissioner.

11 (d) In addition to other amounts provided by this section, a
12 charter holder is entitled to receive for the open-enrollment
13 charter school funding per student in average daily attendance in
14 an amount equal to the state average amount of state funds per
15 student in average daily attendance collected by independent school
16 districts under Sections 46.003(a) and 46.032(a).

17 (e) Notwithstanding any other provision of this section,
18 the total amount of funding per student in weighted average daily
19 attendance to which a charter holder may be entitled for an
20 open-enrollment charter school under this section, including a
21 charter holder eligible for supplemental funding under Subsection
22 (a-3), may not exceed the average amount of state and local revenue,
23 including maintenance and operations revenue and revenue for debt
24 service, per student in weighted average daily attendance of the
25 school districts located within the regional boundaries of the
26 regional education service center within whose boundaries a
27 majority of the charter holder's students attend school. If a

1 charter holder's funding would exceed that amount, the amount of
2 maintenance and operations funding and debt service funding to
3 which the charter holder would otherwise be entitled under this
4 section shall be reduced proportionately to comply with the maximum
5 amount of funding described by this subsection.

6 SECTION 2. Section 12.1071, Education Code, is amended by
7 adding Subsection (c) to read as follows:

8 (c) A charter holder who accepts supplemental funding under
9 Section 12.106(a-3) for a school year:

10 (1) may not expel a student during that school year
11 unless the expulsion is required or permitted under Chapter 37; and

12 (2) shall provide a disciplinary alternative
13 education program or juvenile justice alternative education
14 program, as applicable, during that school year to a student for
15 whom a school district would be required to provide the program
16 under Chapter 37, in the manner provided by that chapter.

17 SECTION 3. Section 12.1101, Education Code, is amended to
18 read as follows:

19 Sec. 12.1101. NOTIFICATION OF CHARTER APPLICATION OR
20 ESTABLISHMENT OF CAMPUS. (a) The commissioner by rule shall adopt
21 a procedure for providing notice to the following persons on
22 receipt by the commissioner of an application for a charter for an
23 open-enrollment charter school under Section 12.110 or of notice of
24 the establishment of a campus as authorized under Section
25 12.101(b-4):

26 (1) the superintendent and board of trustees of each
27 school district within a three-mile radius of the address or

1 intersection at [~~from~~] which the proposed open-enrollment charter
2 school or campus is likely to be located [~~draw students, as~~
3 ~~determined by the commissioner~~]; and

4 (2) each member of the legislature who [~~that~~]
5 represents a [~~the~~] geographic area within a three-mile radius of
6 the address or intersection at which [~~to be served by~~] the proposed
7 school or campus is likely to be located [~~, as determined by the~~
8 ~~commissioner~~].

9 (b) Not later than the 30th day after the date on which an
10 applicant or charter holder acquires property intended to serve as
11 the location of a proposed open-enrollment charter school or campus
12 for which notice was provided under Subsection (a), the applicant
13 or charter holder shall provide notice of the address of the
14 acquired property to:

15 (1) the superintendent and board of trustees of each
16 school district within a three-mile radius of the property; and

17 (2) each member of the legislature who represents a
18 geographic area within a three-mile radius of the property.

19 SECTION 4. Subchapter D, Chapter 12, Education Code, is
20 amended by adding Sections 12.138 and 12.139 to read as follows:

21 Sec. 12.138. CONTRACTS TO OPERATE ALTERNATIVE EDUCATION
22 PROGRAMS. (a) A charter holder who receives supplemental funding
23 under Section 12.106(a-3) shall enter into a memorandum of
24 understanding with the juvenile board of the county in which the
25 majority of the charter holder's students attend school for the
26 board to operate on behalf of the charter holder a juvenile justice
27 alternative education program required under Section 12.1071(c) if

1 the board has developed such a program. The board is entitled to
2 receive all funding to which the charter holder would otherwise
3 have been entitled for each student enrolled by the charter holder
4 in the program.

5 (b) A charter holder who receives supplemental funding
6 under Section 12.106(a-3) may enter into a memorandum of
7 understanding with the board of trustees of a school district
8 located within the regional boundaries of the regional education
9 service center within whose boundaries the majority of the charter
10 holder's students attend school for the district to operate on
11 behalf of the charter holder a disciplinary alternative education
12 program required under Section 12.1071(c). The district is entitled
13 to receive all funding to which the charter holder would otherwise
14 have been entitled for each student enrolled by the charter holder
15 in the program.

16 (c) The juvenile board of a county or board of trustees of a
17 school district shall enter into a memorandum of understanding as
18 provided by Subsection (a) or (b) on request by a charter holder to
19 whom that subsection applies.

20 (d) Each student enrolled by a charter holder in an
21 alternative education program under Subsection (a) or (b) is
22 considered a student of the charter holder for purposes of:

23 (1) determining the amount of funding to which the
24 charter holder would otherwise have been entitled for that student
25 under Section 12.106, including eligibility for supplemental
26 funding under Section 12.106(a-3); and

27 (2) accountability under Chapter 39.

Sec. 12.139. CONTRACT TO OPERATE SCHOOL DISTRICT CAMPUS.

(a) A charter holder who receives supplemental funding under Section 12.106(a-3) may contract with the board of trustees of a school district for the charter holder to operate one or more of the district's campuses. The district may receive all or part of the charter holder's supplemental funding, in an amount determined by the charter holder, to which the charter holder is entitled for each student enrolled at that campus.

(b) Each student enrolled at a campus operated by a charter holder under Subsection (a) is considered a student of:

(1) the charter holder for purposes of determining the amount of funding to which the charter holder is entitled for that student under Section 12.106, including eligibility for supplemental funding under Section 12.106(a-3); and

(2) the school district for purposes of accountability under Chapter 39.

(c) Notwithstanding any other provision of this code, for not less than three years after the date on which a charter holder begins operating a school district's campus under Subsection (a), the commissioner may not take action against the campus under Subchapter E, Chapter 39, for the reason that the campus received the lowest performance rating under Section 39.054.

SECTION 5. Subchapter A, Chapter 11, Education Code, is amended by adding Section 11.004 to read as follows:

Sec. 11.004. CONTRACT WITH HIGH-PERFORMING OPEN-ENROLLMENT CHARTER SCHOOL TO OPERATE CAMPUS. The board of trustees of a school district may contract with an open-enrollment charter school to

1 which Section 12.139 applies for the charter school to operate one
2 or more of the district's campuses as provided by that section.

3 SECTION 6. (a) Except as provided by Subsection (b) of this
4 section, this Act applies beginning with the 2017-2018 school year.

5 (b) Section 12.106(d), Education Code, as added by this Act,
6 applies to funding per student in average daily attendance at an
7 open-enrollment charter school for the 2017-2018 and 2018-2019
8 school years only if the 85th Legislature makes a specific
9 appropriation to implement that provision.

10 SECTION 7. This Act takes effect immediately if it receives
11 a vote of two-thirds of all the members elected to each house, as
12 provided by Section 39, Article III, Texas Constitution. If this
13 Act does not receive the vote necessary for immediate effect, this
14 Act takes effect September 1, 2017.